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C O N F I D E N T I A L ASMARA 000119

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TAGS: [PGOV](#) [MOPS](#) [ER](#)
SUBJECT: A SIMMERING CHALLENGE TO ISAIAS

REFS: (A) ASMARA 000105, (B) ASMARA 000095

Classified By: Amb. Ronald K. McMullen for reason 1.4(d)

11. (C) Summary: The Isaias regime is seeking to defuse opposition posed by mid-level military officers who have set conditions on their continued support of the status quo, according to an opposition figure. The deteriorating economy means that the coming four months are likely to determine whether this challenge will be snuffed out or grow into a serious threat to Isaias. The departure of exiled figure Mesfin Hagos from diaspora politics will not be overly damaging to the opposition cause; Addis-based former senior GSE official Adhanom Ghebremariam is likely to play an increasingly prominent role. End Summary.

12. (C) MID-LEVEL OFFICERS REPORTEDLY SET CONDITIONS

A wealthy Eritrean businessman who is an active supporter of the Eritrean Democratic Alliance (EDA) met with the ambassador April 10. The EDA member claimed increasingly assertive mid-level Eritrean military officers with solid backing from their troops have set conditions on their continued support for the Isaias regime. This group's existence has been rumored for several months (Ref A) although its strength, aims, and composition remain opaque. Isaias' plan for a major shake-up of national security structures has reportedly been put on hold due to this challenge. Isaias was able to implement only the civilian changes, resulting in the recent cabinet carousel involving party loyalists (Ref B). Major General Grezgher Andemariam (aka "Wuchu") has been tasked by Isaias to end the mid-level officers' challenge, but has failed and has been "frozen" as a result, the EDA man stated. "Wuchu was in Barentu yesterday meeting with General Sebhat," he said. Defense Minister Sebhat, the businessman continued, "is sandwiched between his loyalty to Isaias and his conscience."

13. (C) AS THE ECONOMY CONTINUES TO DETERIORATE

The EDA member decried the recent EC decision to grant Eritrea \$122m over five years, saying, "This will only strengthen the government, who will use the money for their own purposes." He said the long-suffering Eritrean people are nearly at wits' end and hunger and despair are the norm. While common Eritreans are afraid to begin any protest movement, "they would welcome a change and would quickly back it," the businessman averred. He noted the black market exchange rate for the Nakfa had recently spiked to 42 to 1 (the official rate is 15 Nakfa to 1 USD), but on April 10 it settled back to 33 to 1. Why? "The government actually entered the back market trying to sop up any available dollars to meet an urgent hard-currency payment for petroleum or something," he claimed. "It left the market yesterday, having gotten the dollars it needed; that's why the rate fell back from 42 to 33 for the dollar." (NOTE: the domestic

black market for Nakfa is nearly invisible, as the regime's draconian punishments deter most would-be currency traders. We understand there is a lively exchange for cut-rate Nakfa in neighboring countries. END NOTE.)

14. (C) OPPOSITION PARTY POLITICS

"I am realistic enough to see that the exiled political parties are too weak and divided to bring about a change of government on their own," the EDA man observed. "We need to focus on managing the transition, if the military starts the ball rolling," he concluded. Heretofore the highest-profile opposition leader had been Mesfin Hagos, a war hero, former senior government official, and one of the Group of 15 who penned an open protest to Isaias. Mesfin, resident in Germany, resigned as head of one of the larger opposition groups last week. "I was with him ten days ago; he was a heroic war leader, but he was not a good politician, as he was stubborn and inflexible," said the EDA member. He opined that Adhanom Ghebremariam (also a war hero, senior GSE official, and G-15 member) would play an important leadership role. "Adhanom is a better politician, but he is emotional and he is based in Addis Ababa," the EDA supporter said.

15. (C) COMMENT: While this businessman is very well connected around Asmara, many of the themes he struck have been reported or alluded to in the opposition media. We see no sign of regime angst on the streets of Asmara, as the security presence is surprisingly low-profile. But if the main challenge is from the garrisons and not the general population, then there is no reason for more troops to be on the streets. The annual May 24 Liberation Day ceremonies will see Asmara flooded with military and other security units, both to participate in the commemoration and provide security for it. Isaias would be well-advised to muster the regime's praetorian guard and to provide a substantial influx of food and fuel to the city and nearby garrisons by May 24. End Comment.

MCMULLEN